

REMARKS

Claims 1 through 5 are pending in this application and stand rejected by the Examiner as being obvious over Linehan in view of Schenkler. Applicants respectfully request reconsideration of the Examiner's final rejection of these claims.

In the Remarks/Arguments filed by Applicants on March 6, 2004 – which are incorporated herein by reference – Applicants maintained that the combination of Linehan and Schenkler fails to disclose each and every limitation required by the pending claims. More particularly, as is explained in Applicants' March 6th paper, the cited combination fails to disclose or suggest that an automatic authorization approval be returned to the merchant's computer by the payment gateway without first obtaining authorization from the issuer. This authorization approval by the gateway, and not from the issuer, is required by pending claims 1 through 3. The prior art combination cited by the Examiner also fails to disclose or suggest returning to the merchant's computer a message with an automatic authorization approval without first obtaining authorization through the payment system, which includes an acquirer and issuer computer, as is required by pending claims 4 and 5.

The Applicants' position has been rejected by the Examiner. According to the Examiner, column 3, lines 1 - 67 of Linehan allegedly discloses a SET Secure Electronic Transaction in which "the payment gateway return[s] to the merchants computer approval without first obtaining authorization from the issuer." *See* Final Office Action, 6/2/04, at p. 2. However, Applicants must earnestly and respectfully disagree.

Neither the portion of Linehan cited by the Examiner (col. 3, lns. 1 – 67), nor any other portion of Linehan for that matter, discloses or suggests that an authorization approval is returned to the merchant's computer by the payment gateway without first obtaining authorization from the issuer. In fact, in describing the prior art SET protocol, Linehan discloses quite the opposite. Linehan states that in the SET protocol a consumer's payment request is first forwarded to the acquirer gateway 106, and then passed by the acquirer gateway 106 to the issuer bank 112 for authorization. *See* Linehan, col. 3, lns. 25 – 32. If the consumer's payment request is authorized by the issuing bank 112, the issuing bank 112 sends its authorization approval to

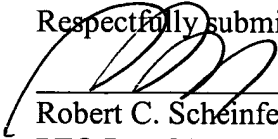
the acquirer gateway 106. *See id.*, lns. 32 – 36. The acquirer gateway 106 then forwards the authorization approval to the merchant. *See id.*

In short, Linehan discloses that the authorization approval is returned to the merchant's computer by the payment gateway only *after* authorization is first obtained by the issuer. Linehan is thus deficient as a reference with respect to the presently pending claims because it fails to disclose or suggest that the authorization approval must be returned to the merchant's computer without first obtaining approval from either (i) the issuer, as required by claims 1 through 3, or (ii) the payment system, which includes the acquirer and issuer computers, as required by claims 4 and 5.

Furthermore, these deficiencies in Linehan are not cured by Schenkler. In Schenkler, an authorization approval is first generated by a clearing office, such as a bank, and only afterwards is it sent to the merchant's computer. *See Schenkler*, col. 9, lns. 17 – 25. Thus Schenkler, like Linehan, fails to disclose or suggest that the authorization approval is sent to the merchant computer without first obtaining authorization from (i) the issuer, as required by claims 1 through 3, or (ii) the payment system, as required by claims 4 and 5.

For these reasons, Applicants earnestly request that the final rejection of claims 1 through 5 be withdrawn, and respectfully submit that these claims are presently in condition for immediate allowance.

Respectfully submitted,



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